

### **REMARKS**

Applicants are filing this response further to a telephone conversation between the Examiner and the undersigned on March 30, 2005. During that discussion, it was pointed out that neither U.S. Patent No. 4,868,376 (Lessin) nor U.S. Patent No. 5,546,523 (Gatto) disclosed or suggested selectively causing a token (such as that shown in Figs. 26M, N, and P of Applicants' disclosure) to take on the personality of a particular media (e.g., a credit card account), and then detaching the token from a portable electronic device (such as that shown in Fig. 26A-L and O of Applicants' disclosure) the for use in a transaction at a point of sale terminal. It was further explained that the background discussion in U.S. Patent No. 6,182,892 (Angelo) to which the examiner referred (i.e., col. 1, lines 42-56) merely teaches the use of security tokens as physical keys that can be carried by a user and selectively interfaced with an electronic system so as to permit the person carrying the token to gain access to the system, much like a car key can be used to start a car.

Angelo does not, however, disclose or suggest the selective configuration and release of a token from a portable electronic device for use in point of sale transactions. While Angelo may, perhaps, have suggested that a device such as that shown in Lessin could itself be used as a security token, it certainly would not have suggested that the Lessin device could or should be provided with a separate, detachable token for use in point of sale transactions. One of ordinary skill in the art would thus not have been motivated by Angelo to modify Lessin/Gatto to employ such a configurable/detachable token. Each of the currently-pending independent claims includes at least one limitation concerning a configurable token, for use at a point of sale terminal, that is "detachable" or "releasable" from a portable electronic device. Thus, all of the pending claims distinguish patentably over the proposed combination of references, and the rejections set forth in the March 14, 2005 Office action should be withdrawn.

During the March 30 conversation, U.S. Patent No. 6,012,636 (Smith) was also briefly discussed. In particular, it was pointed out that, in contrast to the claimed invention, the portable electronic device described in that patent was a stand-alone device which was not associated with a supporting server or network. Instead, the Smith device and technique required a user to insert provider cards (e.g., credit cards, ATM cards, etc.) one at a time into the device, and the device would then read the data from each card's magnetic stripe and store that data in memory. There

is no disclosure or suggestion in Smith that the information loaded into the device could or should be loaded into a separate database for transfer to, or synchronization with information stored on, the portable electronic device.

There is further no disclosure or suggestion in Smith that would have motivated one of ordinary skill in the art to modify the device disclosed in Lessin to employ a separate and detachable token. To begin with, it should be noted that the electronic device disclosed in Lessin is touted as being approximately the same size as a standard, wallet-sized card. See Col. 3, lines 10-14 (“Advantageously, at least the length and width dimensions of the card are approximately the same as the 3.375” x 2.125” (86 mm x 55 mm) dimensions of conventional transaction cards”). Lessin teaches, moreover, that, if necessary, an edge of the device may be made slightly thinner than the rest so that it may be interfaced with a conventional magnetic stripe reader. See Col. 3, lines 29-35, Fig. 2B. The Lessin electronic device is thus itself designed to look like and behave like a conventional transaction card. There would have been absolutely no need or desire to modify the transaction-card sized device of Lessin to include a separate, releasable transaction card such as that taught by Smith. Such a modification would have been undesirable since it would simply have made the Lessin device substantially more bulky and unnecessarily complex.

Moreover, apart from the “detachable token” limitation, Applicants have added yet another limitation to the independent claims that even further distinguishes the claimed invention over Lessin. In particular, the claims have been amended to recite that the communication link between the portable electronic device and the remotely-located database controller is established via a non-dedicated public communications channel. Lessin, by contrast, contemplates application routine programs being loaded onto the card via input/output ports only by the card issuer. See Col. 4, lines 2-4. Thus, any connection to a database maintained by the card issuer would have been via a proprietary communications channel, and would not have been via a non-dedicated public communications channel, as now recited in the claims.

Accordingly, Applicants believe that the currently-pending claims clearly distinguish patentably over all art of record, and should be in allowable condition.

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**CONCLUSION**

A Notice of Allowance is respectfully requested. The Examiner is requested to call the undersigned at the telephone number listed below if this communication does not place the case in condition for allowance.

If this response is not considered timely filed and if a request for an extension of time is otherwise absent, Applicants hereby request any necessary extension of time. If there is a fee occasioned by this response, including an extension fee, that is not covered by an enclosed check, please charge any deficiency to Deposit Account No. 23/2825.

Respectfully submitted,  
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